



## King County

# Metropolitan King County Council Growth Management and Natural Resources Committee

### STAFF REPORT

**Agenda Item:** 6  
**Briefing No.:** 2008-B0149  
**Date:** June 17, 2008  
**Prepared by:** Kendall Moore  
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Paul Carlson  
**Attending:** Paul Reitenbach, DDES  
Harry Reinert, DDES  
Karen Wolf, Office of the Executive

### REVISED

*(substantive revisions shown in italics and underlining)*

### SUBJECT

Briefing on the possible fiscal impacts of the Executive's proposed 2008 King County Comprehensive Plan ("KCCP").

### SYNOPSIS OF KEY ISSUES

Council staff was tasked with identifying fiscal impacts generated by the Comprehensive Plan policies that affected the County's expenditure assumptions or that could impact either citizens and/or developers. Council staff reviewed the individual policies and attempted to identify fiscal concerns that either arose as common themes throughout the Comprehensive Plan or were specific to one area. The following topics were identified to highlight in this analysis.

- Annexation Initiative
- Sustainable Development Green Building Program (LEED Initiative)
- Possible Staffing Expansion
- Impacts on Private Development
- Land Acquisition
- Transportation Concurrency & Roads CIP

### BACKGROUND:

Central staff focused on the Executive's proposed policy changes and the fiscal implications of those changes on King County's budget. Budget staff worked with GMNR staff and other designated council central staff to identify proposed policy changes requiring a fiscal review.

Additionally, staff reviewed the fiscal note. As you know, the King County Code requires all proposed legislation to be accompanied by a fiscal note<sup>1</sup> that identifies the revenue and expenditure impacts for the current fiscal year and the three subsequent fiscal years. Further, if the proposed legislation represents a change in policy, the fiscal note must provide the costs and benefits of the new policy compared with the current policy direction. The Executive transmitted the following ordinances to implement the 2008 update:

1. 2008-0124 (KCC Title 20 – Planning and Permitting)
2. 2008-0125 (KCC Title 9 - Surface Water Management)
3. 2008-0126 (KCC Chapter 13.24 - Water and Sewer Comprehensive Plans)
4. 2008-0127 (KCC Title 14 – Transportation – Roads and Bridges)
5. 2008-0128 (KCC Chapters 16.82 - Clearing and Grading)  
(KCC Title 19A – Land Segregation)  
(KCC Title 21.A - Zoning)

The fiscal note transmitted with these ordinances reports no fiscal impact to King County government resulting from the proposed Comprehensive Plan amendments. The fiscal note read as follows:

1. *The Department of Development and Environmental Services (DDES) projects this proposal will have no net fiscal impact to its operations. DDES charges a combination of flat and an hourly fee for its services. These fees are equal to its costs of operations.*
2. *No fiscal impact is anticipated for other County Departments.*

Council staff met with Executive staff to discuss this “no fiscal impact” rationale. Executive staff maintains that the fiscal note is correct. As the fiscal note examines only the impacts to King County; possible impacts to individuals affected by the Comprehensive Plan policies are not included. Executive staff asserts that due to the County’s current fiscal crisis any expansion of work programs related to Comprehensive Plan policy changes will be absorbed within current County agency workloads and budgets. However, in response to specific questions about possible program expansion areas, the Executive has acknowledged that new resources would be required beyond current levels – either through grant funding or another funding source. **Attachment 3** lists those policy areas regarding collaboration with other jurisdictions, organizations or other County agencies that the Executive acknowledges will require additional resources.

Unfortunately, there is no specific documentation for analysis to either confirm or challenge whether program policies can be absorbed within current appropriation levels. Therefore, central staff were unable to conclude whether there is no impact, a beneficial impact, or a negative impact resulting from the proposed policy changes. Consequently, central staff have identified several policy areas that could fiscally impact the County’s business over the four years covered by this update; although there is insufficient quantitative information to identify the magnitude of these impacts.

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<sup>1</sup> The King County Code states that a fiscal note may be omitted when the Executive certifies in writing that the proposed legislation has no significant fiscal impact on either the operating or capital budgets.

## **ANALYSIS**

**1) Annexations:** As part of the 2004 Adopted Budget, King County began a multi-year initiative to promote the accelerated annexation of the largest remaining urban unincorporated areas, or Potential Annexation Areas (“PAAs”). The County-wide Planning Policies (“CPPs”) call for the remaining unincorporated areas to be annexed or incorporated (with a preference towards annexation) by 2012.

The Annexation Initiative was launched to achieve two major goals:

1. Implement the regional land use vision set forth in the CPPs which call for County government to be the regional and local rural service provider, and for cities to be providers of local service in the urban areas; and
2. Create financial stability in the General Fund because annexations are expected to achieve expenditure reductions as a result of decreased local urban service responsibility for the County as cities become the local provider for those areas.

These annexation policies were prominent in the 2004 Comprehensive Plan update. To date, 36,000 urban unincorporated residents have been transitioned to cities – moving toward the goal of regional service provision. However, the County has not yet reached its second goal of financial stability in the General Fund because expenditure reductions achieved through annexations have been offset by on-going implementation costs and prioritized needs cited by outside review groups, such as the Sheriff’s Blue Ribbon Panel.

Annexation Initiative incentive funding was reserved in the 2004 budget. The budget included incentive reserves of \$10 million in Current Expense (CX) funds. The 2008 adopted General Fund financial plan still maintains a \$7.738 million CX designation for this purpose.

Additionally in 2004, a \$7.6 million annexation capital preservation reserve – consisting of \$5.6 million of Roads capital funds and \$2 million of Real Estate Excise Tax (REET) revenues was also appropriated. The \$5.6 million of Roads contribution money was re-allocated in the 2004 revised Road CIP as a result of the Supreme Court upholding of I-776. However, subsequent budgets have included Roads monies for projects associated with annexations. The dollar amount spent on those is not available at the time of this report. \$1.7 million of REET monies is still available.

These annexation incentive reserves were envisioned to be transferred to cities via interlocal agreements as part of an annexation process. The Council endorsed the Annexation Initiative methodology in Motion 12018 that set the vision, goals, means, and the use of incentive funds.

Motion 12018 stated that it “is critically important in relieving the CX Fund of local urban service obligations, thus reducing pressure on remaining CX regional and rural service budgets.” The Annexation Initiative assumed that as unincorporated areas annex, the County’s CX Fund would be reduced as expenditures for providing services to those areas would be eliminated. It should be noted however, that at the same time the fund would experience reduced revenues as well. (The most significant revenue reduction would occur as the loss of sales tax revenues.) Nevertheless, as shown in **Attachment 2**, it was anticipated that annexations could reduce these expenditures more significantly than any loss in General Fund revenues – thus reducing the assumed services subsidy of almost \$24 million in the

General Fund annually. Of the 13 major urban PAAs shown in the attachment, only Lea Hill, Auburn West Hill and Benson Hill have been successfully annexed since 2004.<sup>2</sup>

The table in Attachment 2 shows 2007 subsidy reduction assumptions for these three areas approximating \$2.6 million. However, it should be noted that although there have been expenditure reductions in the General Fund budget associated with annexations, the reductions have not relieved the stress on the General Fund because expenditure authority has been re-appropriated for other required service issues, such as support of the Blue Ribbon Panel recommendations in the Sheriff's Office.

In addition to incentive reserves, implementation costs are associated with the Annexation Initiative. The table below outlines the operational costs associated with implementation of the initiative through 2007.

**Table 1. Annexation Implementation Costs**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total</b>
Staffing Costs	138,594	359,590	367,593	356,445	1,222,222
Consulting Services/Governance Studies	143,468	340,265	77,792	92,800	654,325
Other Costs	4,218	31,458	47,200	4,457	87,333
<b>Total Costs</b>	<b>286,280</b>	<b>731,313</b>	<b>492,585</b>	<b>453,702</b>	<b>1,995,364</b>

Executive staff have been instrumental in implementing some annexations since inception of the Annexation Initiative in 2004. However, as shown in Table 1, implementation costs of almost \$2 million have been dedicated to that purpose. Only \$2.26 million in incentive funds have been expended for finalized annexations. As noted above, minimal expenditure reductions have been made in the General Fund due to re-appropriations. Consequently, the Annexation Initiative's second major goal of financial stability in the General Fund has not been realized.

**ISSUE:** Motion 12018 provided for review of the program in 2007, which did not occur. Because the CPPs anticipate that the remaining unincorporated areas annex or incorporate by 2012, implementation costs are high, and overall "savings" have not been realized, the Council may wish to re-evaluate the initiative and/or reprioritize the reserves.

**2) Sustainable Development – Green Building Program:** Green Building or LEED (Leadership in Energy and Environmental Design) methods and techniques incorporate into construction projects practices that conserve resources, use recycled content materials, maximize energy efficiency and consider other environmental benefits. These methods can be incorporated through site planning, water savings, energy efficiency, materials selection and enhanced indoor environmental quality for occupants. Green building methods were used in the construction of the King Street Center building and were incorporated into various County

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<sup>2</sup> It should be acknowledged that other PAAs have been proposed for annexation, but were not approved by the voters in the potential annexation area (recent example East Federal Way). Additionally, negotiations between the County and a city regarding other PAAs may not have been successful enough to forward to the voters for consideration (recent example, delay in Kirkland annexation of Kingsgate, Finn Hill and parts of Juanita).

projects such as the Chinook Building, the Harborview Bond Program and the Transit Communication Center project.

County LEED policies were adopted in Ordinance 15118 in February 2005 and are also reflected in the adopted 2005 Space Plan, which is the master plan for all County facility development.<sup>3</sup> Both Ordinance 15118 and the Space Plan currently state that:

1. County departments and offices shall utilize LEED criteria to implement green building practices in the planning, design and construction of all new capital improvement projects.
2. County departments and offices shall seek the highest achievable LEED certification level that is cost-effective based on life cycle cost analysis and the limits of available funding. Projects qualifying for LEED certification shall be registered through the U.S. Green Building Council.
3. For all new projects where the scope of the project or type of structure limits the ability to achieve LEED certification, departments and offices shall incorporate cost-effective green building practices based on life cycle cost analysis and the limits of available funding.
4. For all remodels and renovations with budgets over two hundred fifty thousand dollars, departments and offices shall seek the highest LEED certification level achievable that is cost-effective based on life cycle cost analysis and the limits of available funding.

The Executive has transmitted legislation that is currently being considered by the Capital Budget Committee that would change these adopted policies. Proposed Ordinance 2008-0107 would clarify and expand on policies established in Ordinance 15118.<sup>4</sup>

The Executive has stated that LEED gold certification will add only 1% to 2% to capital building costs; however on-going analysis by council staff shows that the County's actual LEED related costs have ranged from less than 1 percent of total construction costs to as high as 14 to 15 percent of projected construction costs. .

The 2008 Comprehensive Plan update – in Chapter 2, Section VI strengthens provisions related to green build, by requiring the County to incorporate sustainable development practices into the design and operation of buildings. The proposed changes shown below reduce the emphasis on cost-effectiveness.

U-601      King County (~~should~~) shall incorporate sustainable development principles and practices into the design, construction and operation of county facilities and county-funded projects (~~when economically feasible~~)).

~~((U-602 — The use of green building practices should be accomplished within traditional project budgets. If additional funds are sought for up-front costs,~~

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<sup>3</sup> Pursuant to the GMA, the County's Comprehensive Plan must contain a capital facilities plan, of which the County's Space Plan is a sub-element.

<sup>4</sup> By Council action, Ordinance 15118 has a sunset date of July 2008.

~~a life cycle cost analysis of the project should be completed to determine the long-term benefits of using green building practices.))~~

- U-604 King County ((~~should~~)) shall leverage its purchasing power related to capital improvement projects to help expand the markets for green building products, including recycled-content materials and clean, renewable energy technologies.

Council has requested that staff be cognizant of impacts to the County's General Fund. Any General Fund supported tenant agencies housed in a new building would ultimately pay a cost premium through space charges that could be higher if LEED Gold certification increases building costs. Adding debt service to the General Fund also increases the costs. The counterargument is that green features should yield O&M savings over time.

One potential major project that would be affected by new LEED policies and have an impact on CX would be development of a new Administration Building. As shown in Table 2 below, under the Executive's proposal last fall, approximately 30 percent of the building would be occupied by CX-funded agencies. As a result, a significant share of any cost premium associated with seeking a LEED Gold rating would be incurred by CX-funded tenants through their facility charges. (Any cost premium required by Non-CX tenant agencies such as the King Street tenants would be incurred by the non-CX fund that supports the agency.)

**Table 2. New Administration Building Proposed Tenants**

<b>Tenants</b>	<b>Space in Building</b>	<b>Percent of Total</b>
King Street Center Tenants	300,000	35%
Existing KC Administration Building Tenants	125,000	15%
King County Council, Executive, and Criminal Investigations Division	125,000	15%
Private Tenants	300,000	35%
<b>Total</b>	<b>850,000</b>	<b>100%</b>

**ISSUE:** Because the sustainable development policy will now be *required* in the Comprehensive Plan, the Committee may wish to evaluate the fiscal impacts – particularly to the General Fund – and to ensure that the Comprehensive Plan policies are consistent with the Space Plan, Ordinance 15118, and Proposed Ordinance 2008-0107 that is currently before the Council for consideration.

Additionally, the amendments to the energy subpart of Chapter 8 (Facilities, Services & Utilities) found at pages 8-20 through 8-23, specifically acknowledge the increased costs for the proposed implementation of the new energy efficiency policies. As discussed in the briefing report on that subpart, the budget and tracking procedures outlined in Proposed Ordinance 2008-0107 should control.

Chapter 7 (Transportation), Policy T-302d,<sup>5</sup> also stresses new standards for design and operations for transportation structures and services. These areas of concern will also need to “crosswalk” to adopted LEED policies.

**3) Possible Staffing Expansion:** Council staff has reviewed the individual Comprehensive Plan policies for areas of possible program expansion that may require additional staffing over the next four years. Highlights of questioned areas are listed below:

- Possible new staffing needs: When examining new policies, special attention was given to instances where the word “*should*” was changed to “*shall*”. Legislatively, this word change indicates that the action described is required or mandatory. There are repeated references throughout the Comprehensive Plan where this type of change is incorporated. An illustration is shown below in Policy U-609:

U-609 King County (~~((should))~~) shall identify and evaluate potential changes to land use development regulations and building codes to support and promote (~~((low impact))~~) low impact development. (~~((This may be accomplished through demonstration projects to guide application and refinement of regulations such as zoning, subdivision, roads and stormwater regulations.))~~)

The question arises as to whether this change expands the scope of work that must be done to identify and evaluate regulations. The Executive believes that in the work is on-going and would not be an expansion of workload sufficient to require additional staff for implementation. There is, however, no way to quantify if this assumption will be consistent over the four years covered by the Comprehensive Plan.

- Coordination/Collaboration: Council staff identified over forty *new* policy areas stating that the County would either coordinate or collaborate with others – either another jurisdiction, organization, or across County agencies. This list was provided to Executive staff who verified that most of the work was on-going within current workloads. However, in several cases, as shown in **Attachment 3**, it was acknowledged by Executive staff that the work would require new resources beyond current funding. Executive staff stated that they are currently seeking additional resources – such as grant funding – to revenue-back the projects.
- Transfer of Development Rights (TDR): There are six new programs added in the TDR program. However, Executive staff reported that current County staff will absorb the increased workload to accommodate the new requirements and implementation. As stated in previous GMNR briefings, the overriding purpose of the proposed TDR revisions is to increase participation in some aspect of the TDR program, either as a buyer or seller of density credits. If program

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<sup>5</sup> T-302d The King County Department of Transportation will incorporate climate change impacts information into construction, operations, and maintenance of infrastructure projects. In the near term, the department will incorporate climate change into its planning and design documents. In the long term, the department will develop strategies to incorporate climate change response into the design and operations of its transportation structures and services.

participation is indeed increased, central staff question whether the workload to implement the program would also increase.

In explaining the changes to the TDR pilot program, Executive staff have stated that the County would assume notifying all potential property owners within a TDR reserve and conduct out reach to them to help facilitate the purchase of their TDRs by the developers is in the TDR pilot. While the Executive staff indicate that the degree of notification would need to be defined very specifically, the fiscal impact of this additional scope of work is unknown. Additionally, as part of the pilot, the County will be in the business of facilitating and administering these private purchases of these TDRs, again at an unknown cost.

- Groundwater Protection Policy: Policy E-467 recommends expanded groundwater management responsibilities and services. This proposed expansion in groundwater protection policy appears to be inconsistent with 2008 adopted budget reductions in the groundwater protection program. The 2008 budget reduced staffing and funding because most groundwater committees were disbanded, leaving only the Vashon/Maury Island committee. The costs associated with groundwater quality – including best management practices, measuring, monitoring and reporting appear to be an expansion of an already reduced program.
- Transportation Policy on Climate Change: Policy T-302e provides that the King County Department of Transportation will develop methods to evaluate the climate change impacts of its actions and train staff to implement climate sensitive practices in its work.

**ISSUE**: As noted in the background section, Executive staff maintains that any program expansion related to Comprehensive Plan policy changes and will be absorbed within current agency workloads and appropriations. Should the scope of work for these programs expand beyond the availability of current staff or become more successful than anticipated, additional staffing could be required – particularly within the four year time frame covered by the Comprehensive Plan.

**4) Impacts on Private Development**: Council staff was asked to review the fiscal impacts of the Comprehensive Plan policies upon County individuals. There were only two areas of review that specifically identified increased costs for private development.

Transfer of Development Rights (TDR): TDR Policy U-124<sup>6</sup> assumes that to obtain an upzone an individual will need to purchase TDRs – unless the increased density is for affordable housing or serves another public purpose.

As noted in the staffing portion of this report, Executive staff stated that certain burdens and transaction costs may be faced by developers who buy TDRs. However, it is also assumed

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<sup>6</sup> U-124 ... Once a property is approved for upzone in accordance with U-122 above, then the property owner shall purchase Transferable Development Rights (TDRs) for the additional market-rate units. TDRs shall not be required for affordable units or other public purposes and policy goals as appropriate.



that although purchasing the TDRs will add to the cost for urban upzones, the upzone could provide a benefit for the purchaser as increased density will increase the value of the development. However, currently other than permitting costs, there is no extra burden on the property owner seeking an upzone. .

New Development Road Networks: By a policy in the Transportation chapter,<sup>7</sup> developers would most likely be financially impacted – particularly for a larger development – due to requirements to build a road network with a new development property.

**5) Land Acquisition:** The following policies appear to commit County land acquisition funds for very specific purposes; however, Executive staff stated that these policies are intended to provide additional criteria for decision makers, but **should not override other County land acquisition options**.

Mitigation Reserve Pre-Purchase Language: Policies E-461 and E-474, found at pages 4-26 and 4-39, shown below, encourage the pre-purchase of land for habitat restoration projects to mitigate development-related impacts in advance of expansion. The language appears to negate other land use proposals by designating County funds for the mitigation reserves program that could otherwise be used for other properties or purposes.

E-461 The county should encourage the use of Mitigation Reserves, in which wetlands are selected and pre-purchased for active management (enhancement, restoration, protection) in advance of wetland-impacting activities. The county should continue to implement its Mitigation Reserves program to provide an in-lieu fee option for applicants.

E-474 The county should encourage the use of Mitigation Reserves, in which stream and river habitat restoration projects are selected and pre-purchased for active management (enhancement, restoration, protection) in advance of development-related impacts. The county should continue to implement its Mitigation Reserves program to provide an in-lieu fee option for applicants with off-site aquatic-area mitigation requirements.

**ISSUE:** According to Executive staff, the program actually takes advantage of properties that are **already in the County's natural lands inventory**. The Committee may wish to clarify language to indicate that these are lands already in County ownership.

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<sup>7</sup> T-307 King County shall encourage the development of highly connected, grid-based arterial and nonarterial road networks in new developments and areas of in-fill development. To this end, the county should:

- a. Make specific ~~((determinative))~~ findings to establish a nonarterial grid system for public and emergency access in developments at the time of land-use permit review.
- b. ~~((Encourage))~~ Require new commercial, multifamily, and ~~((single-family))~~ residential ~~((developments))~~ subdivisions to develop highly connective street networks to promote better accessibility ~~((by all modes. The use of cul-de-sacs should be discouraged, but where they are used, they should include pedestrian pathways to connect nearby streets))~~ and eliminate or minimize the use of cul-de-sacs

E-488, found at page 4-44, provides that one of the methods to protect native species of local importance (i.e. those not yet listed by either the state or federal governments) should be accomplished by purchasing habitat.

**ISSUE:** The Committee may wish to clarify when that a constraint on a policy using the word “should” includes budgetary limitations, that is considering cost, available funding and public benefit associated with the purpose.

- **Parks Distribution:** Policy P-105, listed below, is unclear regarding the implementation of regional park geographic distribution.

P-105 King County shall provide regional parks and recreational facilities that serve users from many neighborhoods and communities. Regional parks include unique sites and facilities that ((are)) should be equitably and geographically distributed.

**ISSUE:** This policy could have a fiscal impact if it is interpreted to require acquisition of land in a specific area that the County could not financially acquire or sustain. Additionally, this policy direction could interfere with other opportunities for acquisition or partnerships if the land is not located in an area that did not meet a geographical requirement. The Council may wish to clarify the criteria for geographic distribution.

**6) Transportation Concurrency & Roads CIP:** The transportation chapter of the Comprehensive Plan includes 86 policies that were reported to the Committee on April 29, 2008. the following present potential fiscal impacts.

**Transit Oriented Development (TOD):** Policy T-112, supporting TOD, has been expanded so that it “includes multifamily housing and promotes the pedestrian-friendly character of adjacent properties.

**ISSUE:** While this policy does not necessarily require that County property or funds be used for the TOD partnerships, past practice has been that County support was used to foster the policy through the approval of interlocal agreements, leases, property sales, and property exchanges. Consequently, TOD policies could impact County properties and funds.

**Non-motorized networks:** Although the following two policies used the word “should”, they are mentioned because they were identified by Council staff as aspects of the transportation system that could be very expensive to modify.

T-322a To enhance and improve nonmotorized access to transit, King County should inventory and develop a plan to correct Americans with Disabilities Act deficiencies in corridors connecting to transit and school bus stops.

T-322b The county should identify key missing links in the nonmotorized network and build facilities to complete the network.

Climate Change, Air Quality, and the Environment: New policies in this section appear to require investments in transportation fuels and technology that could increase costs to the County. Of the policies, T-302c,<sup>8</sup> appears to have the most immediate and specific impact because it states that the County “will” be a leader in the use of transportation fuels and technologies that reduce greenhouse gas emissions.

**ISSUE:** There does not seem to be the kind of limitations on the purchase of technology and clean fuel that are included in other policies. Recent Metro Transit experience with the purchase of biodiesel, suspended due to budget impacts, suggests that this is not a trivial issue. Moreover, not all of these policies have been established in the Code or by other ordinances. Participation in the Chicago Climate Exchange was approved by ordinance. Some clean fuel purchases were directed through an Executive Order and have been implemented in the County budget, but have not been approved by ordinance.

Transportation Needs Report (TNR): The TNR documents a massive and steadily growing shortfall in transportation funding for County road needs. The funding shortfall contrasts with policies that may be thought to imply that the County will make additional transportation investments:

- Changing Level-of-Service (LOS) standards in Urban Mobility Areas and a few rural areas to permit more development could be interpreted to imply a commitment to build more infrastructure. The creation of Urban Mobility Areas with an LOS F standard is based on the assumption that multimodal options, especially transit, are available in these areas, but there is no specific requirement that transit service actually be available.
- The new concurrency system is intended in part to identify specific improvements needed to open up closed travel sheds to development. Again, there may be a perception that the County is implicitly promising to build the improvements, regardless of cost.

**ISSUE:** In short, it is important to understand what investments are required by the proposed LOS and concurrency policies and what investments are not required by these policies. Perceptions about implied investments may be as important as legal requirements.

### **Moving Forward – Possible Ramifications:**

Although Executive staff has maintained that there are no fiscal impacts from the Comprehensive Plan and that expansion of work programs will be absorbed with current workloads and budgets, the highlights included in this staff report could be areas of concern as programs are implemented or changed over the next four years.

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<sup>8</sup> T-302c      King County will be a leader in the use of transportation fuels and technologies that reduce operational greenhouse gas emissions from its fleets (both transit and non-transit) by buying hybrid-electric, electric and other clean transportation technologies; using clean fuels in its fleets; implementing demonstration projects that use alternative fuels; purchasing locally-produced energy sources when practical; seeking local and federal support to expand the use of alternative fuels; and promoting best practices, innovations, trends and developments in transportation fuels and technologies

As actual budgetary decisions that support the Comprehensive Plan are made – either through the annual budget or supplemental appropriation processes – attention will need to be focused on the County’s ability to fund the implementation of the Comprehensive Plan policies. As members are aware, the Executive has informed the Council that the General Fund fiscal crisis anticipated in 2009 has escalated to include a \$60 million shortfall in the ability to maintain current levels of service. In anticipation of this deficit position, the Executive is proceeding with 2008 reduction measures that include supplemental budget request limitations, a hiring freeze on non-essential vacancies, and restrictions on travel.

As a reminder, the General Fund supports other program areas through the transfer of funds. For instance, these dollars help support other County functions and can be found in budgets such as Public Health, the Department of Development and Environmental Services ("DDES"), and the Department Community and Human Services ("DCHS"). The demand on the General Fund may preclude the use of these dollars to support non-General Fund services and could affect the implementation of some Comprehensive Plan policies. The Council should be aware, therefore, that the Comprehensive Plan policy implementation may be subject to the availability of revenues to support programs and infrastructure.

**ATTACHMENTS:**

Attachment 1 – Fiscal Note

Attachment 2 – Major Urban PAAs

Attachment 3 – Executive Response Showing Funding Needs

## FISCAL NOTE

Ordinance/Motion No. 00-	
Title:	Executive Recommended Comprehensive Plan 2008 & Related K.C. Code Amendments
Affected Agency and/or Agencies:	Development and Environmental Services
Note Prepared By:	Paul Reitenbach
Note Reviewed By:	Paul Reitenbach

Impact of the above legislation on the fiscal affairs of King County is estimated to be:

### Revenue to:

Fund/Agency	Fund Code	Revenue Source	Current Year	1st Year	2nd Year	3rd Year
1340 DDES						0
						0
TOTAL			0	0	0	0

### Expenditures from:

Fund/Agency	Fund Code	Department	Current Year	1st Year	2nd Year	3rd Year
1340 DDES					0	0
TOTAL			0	0	0	0

### Expenditures by Categories

	Current Year	1st Year	2nd Year	3rd Year
TOTAL	0	0	0	0

- Assumptions:
1. The Department of Development and Environmental Services (DDES), projects this proposal will have no net fiscal impact to its operations. DDES charges a combination of flat and an hourly fee for its services. These fees are equal to its costs of operations.
  2. No fiscal impact is anticipated for other County Departments.

## ATTACHMENT 2

### 2007 General Fund Major Urban PAA Local Revenues and Expenditures Analysis

	<b>Major Urban PAA</b>	<b>Annexing City</b>	<b>2006 Est. Population</b>	<b>2007 Est. Local Revenue (millions)</b>	<b>2007 Proposed Expenditures (millions)</b>	<b>2007 Regional Subsidy (millions)</b>
1.	North Highline	Burien	33,000	\$4.20	(\$13.30)	(9.00)
2.	Juanita/Finn Hill/ Kingsgate	Kirkland	33,500	3.30	(5.10)	(1.80)
3.	Fairwood	Renton (or incorporation)	26,500	2.70	(4.20)	(1.50)
4.	East Federal Way	Federal Way	20,200	1.70	(4.40)	(2.70)
5.	Kent Northeast	Kent	23,800	2.30	(2.90)	(0.50)
6.	West Hill	Renton	14,600	2.00	(5.10)	(3.10)
7.	Klahanie	Issaquah	11,000	0.90	(1.00)	(0.10)
8.	East Renton (POP)	Renton	4,900	0.10	(0.10)	(0.10)
9.	East Renton Rem.	Renton	3,000	0.20	(0.40)	(0.10)
10.	Lea Hill <sup>1</sup>	Auburn	10,200	0.80	(1.90)	(1.00)
11.	Eastgate	Bellevue	4,700	0.40	(0.60)	(0.20)
12.	Auburn - West Hill <sup>2</sup>	Auburn	4,200	0.30	(0.70)	(0.40)
13.	Benson Hill <sup>3</sup>	Renton	16,500	2.20	(3.40)	(1.20)
	Other Urban Is.		15,600	1.70	(3.40)	(1.70)
	<b>TOTAL:</b>		<b>221,700</b>	<b>\$22.80</b>	<b>(\$46.50)</b>	<b>(\$23.40)</b>

This table shows the largest PAAs targeted for annexation or incorporation under the Annexation Initiative. (The table actually includes several other areas that are now also being tracked for various reasons.) There are approximately 195,000 people in the urban unincorporated area that have yet to annex. Combined, they are currently equivalent to the second largest city in the state.

<sup>1</sup> Successfully Annexed in 2007.

<sup>2</sup> Successfully Annexed in 2007.

<sup>3</sup> Successfully Annexed in 2008

## Coordination or Collaboration Areas Analysis

## ATTACHMENT 3

Policy	Question	Notes	Exec Response	Exec Comments
U-124	TDR Upzone Pollicy - property owner <b>shall</b> purchase? <i>Impact to citizen</i>	cost to priority owner	yes	cost to prop. owner for achieving an increase in zoning
E-403	Develop biodiversity conservation framework		new	Would require new resources. Currently looking for grant funding.
E-467	Groundwater quality - requires coordination in conjunction with cities , state, groundwater purveyors, state, federal - affected jurisdictions		new	Would require new resources beyond current funding of the groundwater program.
E-493	Establish a bioinventory and collaborate with other governments, private, non-profit on bioinventory		new	Would require new funding; we are currently seeking grant funding.
E-496	Mapping of habitat networks - coordinated with state and federal ecosystem mapping efforts		new	Would require new funding; we are currently seeking grant funding for this project